

Article - Education

[\[Previous\]](#)[\[Next\]](#)

§13–304.

(a) The government of the Medical System Corporation is vested in the Board of Directors.

(b) (1) Subject to paragraphs (2) and (3) of this subsection, the Board of Directors consists of 6 nonvoting members and not less than 22 and not more than 25 voting members appointed by the Governor with the advice and consent of the Senate.

(2) (i) On or after October 1, 2014, the Medical System Corporation may amend its articles of incorporation to add up to three voting members to the Board of Directors as the Medical System Corporation determines to be necessary and appropriate.

(ii) Nominations of additional voting members shall be made by the Board of Directors and submitted to the Board of Regents for comment and to the Governor for consideration.

(iii) Any member added to the Board of Directors under subparagraph (i) of this paragraph shall:

1. Represent an entity that affiliates with the Medical System Corporation on or after October 1, 2014;

2. Be appointed by the Governor with the advice and consent of the Senate; and

3. Be designated as an affiliate board member.

(iv) Nothing in this paragraph may be construed to require the Medical System Corporation to nominate a representative of an entity that affiliates with the Medical System Corporation on or after October 1, 2014, to be an additional board member.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, for each hospital that affiliates with the medical system on or after June 1, 2019, the Governor may appoint an additional voting member who is a representative from the hospital.

(c) (1) Each member shall be a resident of this State.

- (2) A member of the Board may not be a State or local elected official.
- (3) Three voting members shall be members of the Board of Regents.
- (4) One voting member shall be the Governor's designee.
- (5) Two voting members shall be appointed as follows:

(i) One appointed by the President of the Senate of Maryland;

and

(ii) One appointed by the Speaker of the House of Delegates.

(6) At least 1 voting member of the Board shall be appointed by the Governor, upon nomination by the membership of the Community Advisory Council, from the membership of the Community Advisory Council.

(7) At least 1 voting member of the Board of Directors shall have expertise in the hospital field.

(8) In appointing the voting members of the Board of Directors, the Governor shall ensure that the composition of the Board fairly represents the minority composition of the State.

(9) The nonvoting members shall be, ex officio, the Chancellor of the University System of Maryland, the President, the Chief Executive Officer, the Dean of the School of Medicine, the President of the medical staff organization of the medical system, and the Associate Director of nursing services for the medical system.

(d) (1) The term of a member is 5 years and begins on the 1st Monday in June of the year of appointment.

(2) The terms of members are staggered as required by the terms provided for members of the Board on the transfer date.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member appointed to fill a vacancy in an unexpired term serves only for the remainder of that term and until a successor is appointed and qualifies.

(5) A member may be reappointed, but may not serve more than 2 consecutive full terms.

(e) For terms subsequent to initial terms, nominations of members will be made by the Board of Directors and submitted to the Board of Regents for comment and to the Governor for consideration.

(f) The Board of Directors may adopt and amend bylaws.

(g) (1) The Board of Directors shall determine the time and place of its meetings and may adopt rules for the conduct of its meetings.

(2) Eleven voting directors constitute a quorum for transacting business at any meeting, and action by a majority of voting directors present at a meeting shall be the act of the Board unless the bylaws require a greater number.

(h) Each year, the Board of Directors shall elect from among its members:

(1) A Chairman; and

(2) Any other officer it requires.

(i) The Board of Directors shall elect a Chief Executive Officer who shall also be appointed by the Board of Regents as Vice President of the University of Maryland Medical System, and who shall begin service in this joint office after the appointment is approved by both boards. The Chief Executive Officer shall serve at the pleasure of the Board of Directors. In the event of a vacancy of the Chief Executive Officer, nominees will be selected by a process to be determined jointly by the Board of Regents and the Board of Directors.

(j) Each member of the Board:

(1) Serves without compensation; and

(2) Is entitled to reimbursement for expenses as provided by the Board of Directors.

(k) A member of the Board may not intentionally use the prestige of office or public position for that member's private gain or that of another.

(l) (1) (i) Except as provided in subparagraph (iii) of this paragraph, each member annually shall submit a disclosure of financial interest, including any potential conflicts of interest, to the State Health Services Cost Review Commission.

(ii) 1. Except as provided in subsubparagraph 2 of this subparagraph, the State Health Services Cost Review Commission shall make freely

available to the public on its website, through an online registration program, the statement submitted under subparagraph (i) of this paragraph.

2. The State Health Services Cost Review Commission may not provide public access to the portion of the statement that includes an address that the member has identified as the member's home address.

(iii) A newly appointed member shall submit a disclosure of financial interest within 60 days after the member's appointment to the Board.

(2) If the Governor determines that a member has willfully filed a false statement under paragraph (1)(i) of this subsection, the Governor shall remove the member from the Board.

(3) The Board of Directors and the compliance officer for the Medical System Corporation shall review each statement submitted under paragraph (1) of this subsection for compliance with the Board's conflict of interest policy.

(4) The State Health Services Cost Review Commission annually shall send a summary of each statement submitted under paragraph (1) of this subsection to the Governor, the President of the Senate, and the Speaker of the House.

(m) (1) The Medical System Corporation may not use sole source procurement to award a contract to an active member of the Board of Directors or a business entity that employs or has an affiliation with an active member.

(2) The Governor shall remove a member from the Board of Directors who has benefited from a sole source procurement.

(3) The Medical System Corporation may not provide a preference for the award of a contract to an active member of the Board of Directors or a business entity that employs or has an affiliation with an active member.

(n) (1) The award of a contract or the making of a payment to a member of the Board of Directors or an associated business of a member shall be subject to the approval of the full Board of Directors.

(2) Before the Medical System Corporation awards a contract or makes a payment to a member of the Board of Directors, the compliance officer shall:

(i) Review the contract or payment and advise the member of the Board of Directors as to whether the contract or payment is appropriate and consistent with the policies of the Medical System Corporation; and

(ii) Make a recommendation to the Board of Directors as to whether the contract or payment should be approved or disapproved by the Board.

(o) (1) The Board of Directors shall develop a policy governing contracts with and payments to a member of the Board of Directors or members of the board of directors of hospitals affiliated with the Medical System Corporation by:

(i) The Medical System Corporation; or

(ii) The affiliated hospital.

(2) On or before December 1 each year, the Board of Directors shall submit a report to the Governor and, in accordance with § 2-1257 of the State Government Article, the President of the Senate, the Speaker of the House, the Joint Audit and Evaluation Committee, the Senate Finance Committee, and the House Health and Government Operations Committee on:

(i) The policy adopted under paragraph (1) of this subsection;
and

(ii) How the Board of Directors has ensured compliance with the policy by the affiliated hospitals and the members of the board of directors of the affiliated hospitals.

(p) The Chairman of the Board of Directors shall appoint representatives from the community naturally served by the medical system having interest in the services of the medical system to 3-year terms as members of a Community Advisory Council. The Board of Directors shall designate at least one of its members to meet with the Community Advisory Council and advise the Community Advisory Council of matters of potential interest. Recommendations of this Community Advisory Council concerning services offered by the Medical System Corporation and its community relationships shall be considered by the Board of Directors.

[\[Previous\]](#)[\[Next\]](#)